

Ameren Illinois Gas Rate Zone I - (CIPS)
Statement of Operating Income with Adjustments
For the Test Year Ending December 31, 2016
(In Thousands)

Line No.	Description	Company Supplemental Rebuttal (Ameren Ex. 32.2 WP)	Company Adjustments (Sch 1, page 2)	Company Draft Order Present (Cols. b+c)	Company Draft Order Proposed Increase	Company Draft Order Proposed (Cols. d+e)
	(a)	(b)	(c)	(d)	(e)	(f)
1	Gas Operating Revenues	\$ 80,780	\$ -	\$ 80,780	\$ 12,249	\$ 93,029
2	Other Revenues	1,000	-	1,000	-	1,000
3	Total Operating Revenue	81,780	-	81,780	12,249	94,029
4	Uncollectible Expense	776	-	776	116	893
5	Cost of Gas	-	-	-	-	-
6	Production Expenses	548	-	548	-	548
7	Storage, Term., and Proc. Expenses	2,775	(1)	2,774	-	2,774
8	Transmission Expenses	2,143	(0)	2,143	-	2,143
9	Distribution Expenses	22,915	(22)	22,893	-	22,893
10	Cust. Accounts, Service & Sales	6,185	(1)	6,184	-	6,184
11	Administrative and General Expenses	13,808	94	13,903	-	13,903
12	Depreciaton and Amortization	11,015	-	11,015	-	11,015
13	Taxes Other Than Income	3,261	-	3,261	-	3,261
14	Rounding	-	-	-	-	-
15	Total Operating Expense					
16	Before Income Taxes	63,427	70	63,496	116	63,613
17	State Income Tax	241	(5)	236	940	1,176
18	Federal Income Tax	1,005	(21)	984	3,918	4,901
19	Deferred Taxes and ITCs Net	3,075	-	3,075	-	3,075
20	Total Operating Expenses	67,748	43	67,791	4,974	72,765
21	NET OPERATING INCOME	\$ 14,032	\$ (43)	\$ 13,989	\$ 7,275	\$ 21,264
22	Company Rate Base (Schedule 2, page 1, col d, line 21)				\$	277,784
23	Company Overall Rate of Return (Schedule 5, col e, line 18)					7.655%

Ameren Illinois Gas Rate Zone I - (CIPS)
Adjustments to Operating Income
For the Test Year Ending December 31, 2016
(In Thousands)

Line No.	Description	Interest Synchronization Part 285 Draft Order, Sch 3	Gasoline Price Adjustment (Staff Ex. 11.0, Schedule 11.01)	Diesel Fuel Price Adjustment (Staff Ex. 11.0, Schedule 11.02)	Charitable Contributions Adjustments (AIC Exhibit 33.0)	(source)	(source)	(source)	Total Operating Statement Adjustments
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Gas Operating Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Other Revenues	-	-	-	-	-	-	-	-
3	Total Operating Revenue	-	-	-	-	-	-	-	-
4	Uncollectible Expense	-	-	-	-	-	-	-	-
5	Cost of Gas	-	-	-	-	-	-	-	-
6	Production Expenses	-	-	-	-	-	-	-	-
7	Storage, Term., and Proc. Expenses	-	(0)	(1)	-	-	-	-	(1)
8	Transmission Expenses	-	(0)	(0)	-	-	-	-	(0)
9	Distribution Expenses	-	(7)	(15)	-	-	-	-	(22)
10	Cust. Accounts, Service & Sales	-	(0)	(1)	-	-	-	-	(1)
11	Administrative and General Expenses	-	(0)	(0)	94	-	-	-	94
12	Depreciaton and Amortization	-	-	-	-	-	-	-	-
13	Taxes Other Than Income	-	-	-	-	-	-	-	-
14		-	-	-	-	-	-	-	-
15	Total Operating Expense	-	-	-	-	-	-	-	-
16	Before Income Taxes	-	(8)	(17)	94	-	-	-	70
17	State Income Tax	-	1	1	(7)	-	-	-	(5)
18	Federal Income Tax	1	2	5	(30)	-	-	-	(21)
19		-	-	-	-	-	-	-	-
20	Total Operating Expenses	1	(5)	(10)	56	-	-	-	43
21	NET OPERATING INCOME	\$ (1)	\$ 5	\$ 10	\$ (56)	\$ -	\$ -	\$ -	\$ (43)

Ameren Illinois Gas Rate Zone I - (CIPS)
Rate Base
For the Test Year Ending December 31, 2016
(In Thousands)

Line No.	Description	Company Supplemental Rebuttal (Ameren Ex. 32.2 WP)	Company Adjustments (Sch 2, page 2)	Company Draft Order Rate Base (Col. b+c)
	(a)	(b)	(c)	(d)
1	Gross Plant in Service	\$ 548,417	\$ (4)	\$ 548,413
2	Less Accum. Deprec. and Amort.	(230,613)	-	(230,613)
3		-	-	-
4	Net Plant	317,804	(4)	317,800
5	Additions to Rate Base			
6	Cash Working Capital Allowance	6,209	2	6,211
7	Materials & Supplies Inventory	15,520	(881)	14,639
8		-	-	-
9		-	-	-
10		-	-	-
11		-	-	-
12		-	-	-
13		-	-	-
14	Deductions From Rate Base			
15	Accum. Deferred Income Taxes	(56,508)	723	(55,785)
16	Customer Advances for Construction	(2,584)	-	(2,584)
17	Customer Deposits	(2,497)	-	(2,497)
18		-	-	-
19		-	-	-
20		-	-	-
21	Rate Base	\$ 277,944	\$ (160)	\$ 277,784

Ameren Illinois Gas Rate Zone I - (CIPS)
Adjustments to Rate Base
For the Test Year Ending December 31, 2016
(In Thousands)

Line No.	Description	Cash Working Capital Part 285 (Draft Order, Sch 2)	Gas in Storage - Materials and Supplies (Staff Ex. 11.0, Sch. 11.03)	Capitalization of Fuel Cost (Staff Ex. 11.0, Sch. 11.04)	Gas in Storage - Materials and Supplies (AG Cross Ex. 6, Data Request AG-AIC 16.01)	Tax Proration (Corrected Part 285 Schedule G-7)	(source)	Total Rate Base Adjustments
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	Gross Plant in Service	\$ -	\$ -	\$ (4)	\$ -	\$ -	\$ -	\$ (4)
2	Less Accum. Deprec. and Amort.	-	-	-	-	-	-	-
3		-	-	-	-	-	-	-
4	Additions to Rate Base	-	-	(4)	-	-	-	(4)
5	Additions to Rate Base							
6	Cash Working Capital Allowance	2	-	-	-	-	-	2
7	Materials & Supplies Inventory	-	(601)	-	(280)	-	-	(881)
8		-	-	-	-	-	-	-
9		-	-	-	-	-	-	-
10		-	-	-	-	-	-	-
11		-	-	-	-	-	-	-
12		-	-	-	-	-	-	-
13		-	-	-	-	-	-	-
14	Deductions From Rate Base							
15	Accum. Deferred Income Taxes	-	-	-	-	723	-	723
16	Customer Advances for Construction	-	-	-	-	-	-	-
17	Customer Deposits	-	-	-	-	-	-	-
18		-	-	-	-	-	-	-
19		-	-	-	-	-	-	-
20		-	-	-	-	-	-	-
21	Rate Base	\$ 2	\$ (601)	\$ (4)	\$ (280)	\$ 723	\$ -	\$ (160)

Ameren Illinois Gas Rate Zone I - (CIPS)
Cash Working Capital Requirement Employing the Gross Lag Methodology
For the Test Year Ending December 31, 2016
(\$000s)

Line No.	Description (A)	Company Direct Proposed (B)	Revenue Lag/Expense (Leads) (C)	CWC Factor (D) (Col C/365)	Cash Working Capital Requirement (E) Col. D x Col. B
REVENUES					
1	Revenues at Present Rates	\$ 94,029	55.68	15.25%	14,344
2	Plus PGA Revenues	87,168	55.68	15.25%	13,297
3	Plus ICC Gross Revenue Tax	157	-	0.00%	-
4	Plus Municipal Utility Tax	3,064	-	0.00%	-
5	Plus Energy Assistance Charges	1,977	-	0.00%	-
6	Plus Illinois Public Utility Tax	5,023	-	0.00%	-
7	Plus Interest Expense and Bank Facility Fees	7,761	55.68	15.25%	1,184
8	(Less) Deferred Taxes and ITCs Net	(3,075)	55.68	15.25%	(469)
9	(Less) Uncollectibles	(893)	55.68	15.25%	(136)
10	(Less) Depreciation and Amortization	(11,015)	55.68	15.25%	(1,680)
11	(Less) Return on Equity and Debt	(21,264)	55.68	15.25%	(3,244)
12	TOTAL - REVENUES	<u><u>\$ 162,933</u></u>			<u><u>\$ 23,296</u></u>
EXPENSES					
13	Employee Benefits	\$ 2,878	(20.27)	-5.55%	(160)
14	Payroll	22,762	(11.53)	-3.16%	(719)
15	PGA Expense	87,168	(38.62)	-10.58%	(9,224)
16	Other Operations and Maintenance (less uncollectibles)	22,804	(47.04)	-12.89%	(2,939)
17	FICA	1,183	(13.13)	-3.60%	(43)
18	Federal Unemployment Tax	7	(76.38)	-20.92%	(2)
19	State Unemployment Tax	21	(76.38)	-20.92%	(4)
20	St. Louis Payroll Expense Tax	1	(87.33)	-23.93%	(0)
21	ICC Gross Revenue Tax	157	25.92	7.10%	11
22	Invested Capital Tax	1,634	(30.13)	-8.25%	(135)
23	Municipal Utility Tax	3,064	(45.63)	-12.50%	(383)
24	Energy Assistance Charges	1,977	(45.66)	-12.51%	(247)
25	Corporation Franchise Tax	102	(193.45)	-53.00%	(54)
26	Illinois Public Utility Tax	5,023	(29.79)	-8.16%	(410)
27	Property/Real Estate Taxes	313	(387.27)	-106.10%	(333)
28	Interest Expense	7,645	(91.25)	-25.00%	(1,911)
29	Bank Facility Fees	117	307.92	84.36%	98
30	Federal Income Tax	4,901	(37.88)	-10.38%	(509)
31	State Income Tax	1,177	(37.88)	-10.38%	(122)
32	TOTAL EXPENSES	<u><u>\$ 162,933</u></u>			<u><u>\$ (17,085)</u></u>
33	CASH WORKING CAPITAL REQUIREMENT - DRAFT ORDER				<u><u>\$ 6,211</u></u>
34	CASH WORKING CAPITAL REQUIREMENT - SUPPLEMENTAL REBUTTAL				<u><u>\$ 6,209</u></u>
35	DIFFERENCE - ADJUSTMENT TO CASH WORKING CAPITAL				<u><u>\$ 2</u></u>

Ameren Illinois Gas Rate Zone I - (CIPS)
Interest Synchronization Adjustment
For the Test Year Ending December 31, 2016
(In Thousands)

Line No.	Description	Amount
	(a)	(b)
1	Rate Base	\$ 277,784 ⁽¹⁾
2	Weighted Cost of Debt	2.79% ⁽²⁾
3	Synchronized Interest Per Company Draft Order (Line 1 x Line 2)	\$ 7,761
4	Company Supplemental Rebuttal Interest Expense	7,766 ⁽³⁾
5	Increase (Decrease) in Interest Expense (Line 3 - Line 4)	(4)
6	Increase (Decrease) in State Income Tax Expense	
7	at 7.750%	-
8	Increase (Decrease) in Federal Income Tax Expense	
9	at 35.000%	\$ 1

(1) Source: Ameren Illinois Draft Order - Appendix A, Schedule 2, Page 1, col D, ln 21.

(2) Source: Ameren Illinois Draft Order - Appendix A, Schedule 5, col E, ln 12, 13 & 14.

(3) Source: Company Exhibit 32.2 WP, Schedule 3, col B, ln 3.

Ameren Illinois Gas Rate Zone I - (CIPS)
Gross Revenue Conversion Factor
For the Test Year Ending December 31, 2016

Line No.	Description	Rate (Part 285 A-2.1 RZ-I)	Per Company With Bad Debts	Per Company Without Bad Debts
	(a)	(b)	(c)	(d)
1	Revenues		1.00000	
2	Uncollectibles (1)	0.9485%	<u>0.00949</u>	
3	State Taxable Income		0.99052	1.00000
4	State Income Tax	7.75%	<u>0.07676</u>	<u>0.07750</u>
5	Federal Taxable Income		0.91375	0.92250
6	Federal Income Tax	35.00%	<u>0.31981</u>	<u>0.32288</u>
7	Operating Income		<u>0.59394</u>	<u>0.59963</u>
8	Gross Revenue Conversion Factor Per Company		<u>1.68368</u>	<u>1.66771</u>

Sources:

(1) Staff Ex. 7.0 Schedule 7.07 RZ I

Ameren Illinois Gas Rate Zone I - (CIPS)
Overall Cost of Capital
For the Test Year Ending December 31, 2016
(In Thousands)

Line No.	Description	Amount	Percent of Total	Percent of Cost	Weighted Component	Effective Tax Rates	After-Tax Cost of Capital
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	<u>PER COMPANY SUPPLEMENTAL DIRECT</u>						
2	Long Term Debt	\$ 2,342,601	47.426%	5.922%	2.809%	40.0375%	1.6840%
3	Short Term Debt	66,244	1.341%	2.280%	0.031%	40.0375%	0.0190%
4	Bank Facility Costs		0.000%	0.042%	0.042%	40.0375%	0.0250%
5			0.000%	0.000%	0.000%		0.0000%
6	Preferred Stock	60,918	1.233%	4.979%	0.061%		0.0610%
7	Common Stock	2,469,764	50.000%	10.250%	5.125%		5.1250%
8	Total	<u>\$ 4,939,527</u>	<u>100.000%</u>		<u>8.068%</u>		<u>6.9140%</u>
9							
10							
11	<u>PER COMPANY DRAFT ORDER</u>						
12	Long Term Debt	\$ 2,342,601	47.426%	5.790%	2.746%	40.0375%	1.6470%
13	Short Term Debt	66,244	1.341%	0.450%	0.006%	40.0375%	0.0040%
14	Bank Facility Costs		0.000%	0.042%	0.042%	40.0375%	0.0250%
15			0.000%	0.000%	0.000%		0.0000%
16	Preferred Stock	60,918	1.233%	4.979%	0.061%		0.0610%
17	Common Stock	2,469,764	50.000%	9.600%	4.800%		4.8000%
18	Total	<u>\$ 4,939,527</u>	<u>100.000%</u>		<u>7.655%</u>		<u>6.5370%</u>
19							
20							
21	<u>EFFECTIVE TAX RATE</u>						
22	State Income Tax Rate	7.7500%					
23	Federal Income Tax Rate	35.0000%					
24							
25	[State Rate + ((1- State Rate) x Federal Rate)]	<u>40.0375%</u>					
26	Source for company capital structure per testimony of Ryan Martin.						